

State Supported Rail Passenger Service Report
November 29, 2006
As required by PA 345 of 2006 Section 711 (4/5)

The purpose of this report is to provide a five year history of ridership and subsidies on Michigan's Grand Rapids-Chicago (*Pere Marquette*) and Port Huron-Chicago (*International/Blue Water*) Amtrak services. This summary includes the Michigan Department of Transportation's (MDOT) efforts to promote public awareness of these services, increase ridership and revenues, reduce operating costs, and decrease the state operating subsidy.

The following is a ridership and operating subsidy summary for Fiscal Years (FY) 2002-2006:

	<i>International/Blue Water</i>		<i>Pere Marquette</i>	
<u>Year</u>	<u>Ridership</u>	<u>Subsidy \$\$</u>	<u>Ridership</u>	<u>Subsidy \$\$</u>
2002	91,714	3,500,000	60,127	2,200,000
2003	80,890	3,500,000	73,392	2,200,000
2004	94,378 ⁽¹⁾	4,500,000	87,767	2,600,000
2005	111,630	4,700,000	96,471	2,400,000
2006	123,823	4,700,000	101,932	2,400,000

- (1) FY 2004 marked the change in service from the *International* to the *Blue Water*. On April 25, 2004 the service no longer crossed the Canadian border and instead had a 5:15AM departure time from Port Huron, with an arrival at 11:10 AM in Chicago. The Departure from Chicago changed to 3:00PM with a scheduled arrival in Port Huron at 10:50PM.

Fiscal Year 2006 (FY2006) reported Michigan's best Amtrak ridership and revenue on record. This year reported an increase in ridership of 8.5% an increase of 21% in revenue on Michigan's two subsidized routes. The *Pere Marquette* posted an increase of 5.7% in ridership over FY 2005. The *Pere Marquette* also posted gains in revenue of 20% over last year. The revenue and ridership on the *Pere Marquette* is the highest in its history. The *International* service became the *Blue Water* service on April 25, 2004. This change in service eliminated the border crossing and provided the traveling public an early morning departure to southwest Michigan and beyond. Since the implementation of this new schedule, the *Blue Water* has consistently made ridership gains. This service has posted its highest ridership ever with a 11% rise in ridership over FY 2005. The revenue on this train has also increased by 22% over FY 2005.

By continuing dialog with the communities along these two routes in the form of coalitions, MDOT seeks input at the local level. These coalitions provide the public the opportunity to be involved with their passenger rail service. This input leads to community based marketing opportunities, service upgrades and vender awareness. In May 2006, Travel Michigan partnered with MDOT and the Convention and Visitor Bureaus (CVB's) from several communities in Michigan to promote rail travel and tourism throughout Michigan by hosting the Second Annual "Michigan Day" at Chicago Union Station. This event allowed the CVB's to set up booths in the Great Hall of Chicago Union Station and distribute tourism packets to thousands of Chicago's commuters. Michigan Day at Chicago Union Station is a major effort to bring people to the

many wonderful travel destinations in Michigan. The increases in ridership and revenue statewide can in part, be attributed to this event. MDOT is already beginning to work with Travel Michigan to plan for a similar event in FY2007. Also, MDOT has been actively involved with the Michigan Association of Rail Passengers (MARP). This association is very consumer-oriented and has a history of serving as a watchdog for Michigan's rail passengers. Their involvement has assisted us in our on-time performance challenges and has contributed to station improvements, community awareness and tourism.

The FY2007 operating agreement with Amtrak will provide a \$6,236,555 subsidy for the two state-supported services. As the result of increased ridership and revenue Amtrak's subsidy request has been reduced by over 12% for FY2007. Additionally, a service-wide fare increase of 5% was implemented in October 2006 to enhance revenues and continue to control the annual subsidy necessary for the state-supported trains. This agreement will continue the use of the *Blue Water* schedule and run the *Pere Marquette* service without a café car. These changes, which were implemented in FY 2004, will continue to control costs as the program strives to continue increasing ridership and revenues of these passenger routes. Currently, the number of passenger coaches on each service has controlled our costs. In FY2006 passenger rail services experienced many sold out trains, especially on the weekends. With these current capacity limitations, MDOT will need the flexibility to lease more equipment in order to continue ridership and revenue growth. As the passenger rail program continues to flourish, MDOT will continue to work with Federal Railroad Administration, Amtrak, freight railroads, and the local communities to address infrastructure and safety improvements which assist us with service efficiencies and better on-time performance.

MDOT has not received Amtrak's subsidy request for FY 2008 or FY 2009. This information and the detail associated with this request are expected in mid-January. These future subsidy requests are influenced by the annual federal reauthorization of Amtrak.

Bureau of Passenger Transportation
Michigan Department of Transportation